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Argentina

Grain and Feed

Lock-Up Report

2007

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Report Highlights:

Updated production and trade information for wheat, corn, and rice

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Buenos Aires [AR1]
[AR]

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Rice

Production in the 2006/07-rice crop year finished with rough rice production estimated at 1.06 MMT. On a national level, the average yield was 6.545 MT/HAS. The province of Entre Rios comprised nearly 40 percent of area harvested and attained higher than average yields. Corrientes comprised around 42 percent of harvested area and had slightly lower than average yields.

Of the five provinces that produce rice, harvested area and production were divided as follows:

| Province | Harvested Area (HAS) | Production | Average Yield |
|--------------|----------------------|------------------|---------------|
| Entre Rios | 64,650 | 459,780 | 7.111 |
| Corrientes | 68,776 | 447,040 | 6.499 |
| Santa Fe | 20,100 | 101,500 | 5.049 |
| Formosa | 4,700 | 29,610 | 6.300 |
| Chaco | 4,200 | 25,200 | 6.000 |
| Total | 162,426 | 1,063,130 | 6.545 |

National Average Yields

| Year | Yield (MT/HAS) |
|---------|----------------|
| 1990 | 3.671 |
| 1991 | 4.029 |
| 1992 | 5.292 |
| 1993 | 4.356 |
| 1994 | 4.299 |
| 1995 | 5.022 |
| 1996 | 5.062 |
| 1997 | 5.370 |
| 1998 ** | 4.863 |
| 1999 | 5.733 |
| 2000 | 5.346 |
| 2001 | 5.749 |
| 2002 | 5.719 |
| 2003 | 5.400 |
| 2004 | 6.266 |
| 2005 | 6.300 |
| 2006 | 7.054 |
| 2007 | 6.545 |

Source: SAGPYA, Sparks America del Sur, Fundacion Proarroz

** El Niño caused major losses in 1998

Corn

The corn harvest is 98 percent completed as of July 26, 2007. There still remains a small area in northern Santa Fe, and other northern provinces of the country, where producers are waiting for grain moisture levels to fall. Overall, total area harvested for grain is reported at 2.82 million hectares (MHAS). Approximately 740,000 HAS was harvested for forage. Overall, yields for the crop year were very high (averaging 8 MT/HA) due to excellent weather and beneficial rains throughout the growing season; however, cold weather during the last stage of maturation negatively affected yields in northern Santa Fe, Chaco, and Santiago del Estero. Final production estimates are around 22.5 MMT.

Post expects that harvested area will increase in MY2007/08 by around 13 percent to total 3.2 MHAS. However, it is unlikely that yield will reach levels attained in 2006/07. Assuming an average for yields at around 7.8 MT/HA, post estimates that production will reach 25 MMT.

Wheat

As of July 26, 2007, wheat planted area was estimated at 4.76 MHAS of the 5.55 MHAS projected for the MY2007/08 campaign, according to Argentina's Secretariat of Agriculture, Livestock, Fish, and Food (SAGPyA). There still remains area to be planted in the provinces of Buenos Aires and La Pampa. Lack of rain combined with shortages of diesel fuel and fertilizers – especially urea – have caused a slowdown in planting and are the biggest obstacles to finishing the remaining 20 percent of the area projected for southwest Buenos Aires and southern La Pampa. If these conditions continue, it is unlikely that planted area in those regions will reach its expected level. In addition, lack of surface moisture and extended periods of cold weather have had a negative effect on sprouting and plant development. It is reported, however, that subsurface moisture levels (below 10 cm.) are good and it is unlikely that total production will be significantly affected as overall yields are projected to be slightly higher than those of MY2006/07.

Post has estimated MY2007/08 harvested area, in light of the above information, at 5.4 MHAS. Total production is forecast at 14.2 MMT, based on historical yields.

Carry-in stocks for MY2007/08 are expected to be very high due to roughly 1MMT of currently unsold stocks from the 2006/07 crop. Due to government intervention that makes domestic prices lower than those on the international market (closed export registrations), along with higher prices expected for the future, it is believed that farmers will hold those stocks for the 2007/08 marketing year.

According to SAGPyA, MY2006/07 ended with total planted area of 5.62 MHAS and production of 14.29 MMT. Post estimates the production number for MY2006/07 at 15.2 MMT. Export trends to date suggest the higher production number. It is also believed that carry-in stocks were higher than previously estimated due to increased on-farm use of silo bags. It is expected that utilization of this storage technology will continue to increase, allowing farmers to market their production throughout the year.

PSD Table

| Country Commodity | Argentina Corn | | | | | | | | | UOM |
|------------------------|-------------------|------------------|-------------------------|------------------|------------------|-------------------------|------------------|------------------|-------------------------|-----------|
| | (1000 HA) | | | (1000 MT) | | | (MT/HA) | | | |
| | 2005 | Revised | | 2006 | Estimate | | 2007 | Forecast | | |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | |
| Market Year Begin | | 03/2006 | 03/2006 | | 03/2007 | 03/2007 | | 03/2008 | 03/2008 | MM/YYYY |
| Area Harvested | 2440 | 2440 | 2440 | 2800 | 2850 | 2820 | 3200 | 3200 | 3200 | (1000 HA) |
| Beginning Stocks | 956 | 956 | 956 | 1156 | 556 | 1156 | 1456 | 1056 | 1456 | (1000 MT) |
| Production | 15800 | 15800 | 15800 | 22500 | 22000 | 22500 | 24000 | 23000 | 25000 | (1000 MT) |
| MY Imports | 64 | 0 | 64 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Oct-Sep Imports | 59 | 0 | 59 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Oct-Sep Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 16820 | 16756 | 16820 | 23656 | 22556 | 23656 | 25456 | 24056 | 26456 | (1000 MT) |
| MY Exports | 9464 | 10000 | 9464 | 15500 | 14500 | 15500 | 16000 | 16000 | 16000 | (1000 MT) |
| Oct-Sep Exports | 10707 | 10707 | 10707 | 14000 | 13500 | 14000 | 17000 | 0 | 17000 | (1000 MT) |
| Feed Consumption | 4400 | 4400 | 4400 | 4800 | 5100 | 4800 | 5200 | 5100 | 5200 | (1000 MT) |
| FSI Consumption | 1800 | 1800 | 1800 | 1900 | 1900 | 1900 | 1900 | 1900 | 1900 | (1000 MT) |
| Total Consumption | 6200 | 6200 | 6200 | 6700 | 7000 | 6700 | 7100 | 7000 | 7100 | (1000 MT) |
| Ending Stocks | 1156 | 556 | 1156 | 1456 | 1056 | 1456 | 2356 | 1056 | 3356 | (1000 MT) |
| Total Distribution | 16820 | 16756 | 16820 | 23656 | 22556 | 23656 | 25456 | 24056 | 26456 | (1000 MT) |
| Yield | 6.47541 | 6.47541 | 6.47541 | 8.035714 | 7.719298 | 7.978723 | 7.5 | 7.1875 | 7.8125 | (MT/HA) |

PSD Table

| Country Commodity | Argentina Wheat | | | | | | | | | UOM |
|------------------------|--------------------|------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|-----------------|-----------|
| | | | | | | | (1000 HA) | (1000 MT) | (MT/HA) | |
| | 2005 | Revised | | 2006 | Estimate | | 2007 | Forecast | | |
| | | | Post | | | Post | | | Post | |
| | USDA Official | Post Estimate | Estimate New | USDA Official | Post Estimate | Estimate New | USDA Official | Post Estimate | Estimate New | |
| Market Year Begin | | 12/2005 | 12/2005 | | 12/2006 | 12/2006 | | 12/2007 | 12/2007 | MM/YYYY |
| Area Harvested | 5000 | 5000 | 5000 | 5285 | 5200 | 5600 | 5000 | 4800 | 5400 | (1000 HA) |
| Beginning Stocks | 553 | 553 | 553 | 500 | 500 | 500 | 305 | 295 | 305 | (1000 MT) |
| Production | 14500 | 14500 | 14500 | 15200 | 14200 | 15200 | 14000 | 13000 | 14200 | (1000 MT) |
| MY Imports | 10 | 10 | 10 | 5 | 5 | 5 | 0 | 0 | 0 | (1000 MT) |
| Jul-Jun Imports | 2 | 2 | 2 | 5 | 5 | 5 | 0 | 0 | 0 | (1000 MT) |
| Jul-Jun Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Total Supply | 15063 | 15063 | 15063 | 15705 | 14705 | 15705 | 14305 | 13295 | 14505 | (1000 MT) |
| MY Exports | 9563 | 9563 | 9563 | 10500 | 9500 | 10500 | 9000 | 8100 | 9000 | (1000 MT) |
| Jul-Jun Exports | 8301 | 8301 | 8301 | 12000 | 10000 | 12000 | 9500 | 9500 | 9500 | (1000 MT) |
| Feed Consumption | 80 | 80 | 80 | 80 | 90 | 80 | 80 | 80 | 80 | (1000 MT) |
| FSI Consumption | 4920 | 4920 | 4920 | 4820 | 4820 | 4820 | 4820 | 4820 | 4820 | (1000 MT) |
| Total Consumption | 5000 | 5000 | 5000 | 4900 | 4910 | 4900 | 4900 | 4900 | 4900 | (1000 MT) |
| Ending Stocks | 500 | 500 | 500 | 305 | 295 | 305 | 405 | 295 | 605 | (1000 MT) |
| Total Distribution | 15063 | 15063 | 15063 | 15705 | 14705 | 15705 | 14305 | 13295 | 14505 | (1000 MT) |
| Yield | 2.9 | 2.9 | 2.9 | 2.876064 | 2.730769 | 2.714286 | 2.8 | 2.708333 | 2.62963 | (MT/HA) |